

CONFIDENTIAL

Approved For Release 2003/05/15 : CIA-RDP78B04747A001100030011-5

April 9, 1969

25X1A

Declass Review by NIMA/DOD

[redacted]
Post Office Box 6788
Fort Davis Station
Washington, D. C. 20020

25X1A

Subject: Contract [redacted]

25X1A

Dear [redacted]

The schedule of the contract sets forth an amount of [redacted] per hour for computer time. The utilization of this figure implies that this was a negotiated price per hour of computer time. This is not the case. The figure was set forth in our letter of 10 August 1966 as the cost of our 360 at that time.

25X1A

At the time the Buyer felt that he was required to use the figure as a measure of costs involved which thought was within the basic meaning and intent of a Time and Material contract. This is to say, that the Contractor shall be reimbursed for labor time at a fixed rate per hour and all materials and other direct costs at cost. The cost of our 360 has consistently increased until recently it was exceeding [redacted] per hour cost based on a 176 hour month. Obviously, the speed and efficiency of the machine has increased which in turn decreases the actual time on the computer.

25X1A

Recently for reasons of sound business management, overhead control and the like, we found it necessary to restructure the Company. We have, therefore, established our Systems Division which specializes in Computer Systems effort, Software and Information Retrieval. In order to meet competition in the commercial market we have established a Sale Price rate for 360 time on prime shift at [redacted] per hour which is considerably less than the machine cost based on a 176 hour month.

25X1A

25X1A

Accordingly we request that the rate of [redacted] per hour be deleted from the contract and the rate of [redacted] be specified pursuant to the changes clause. We have inclosed a copy of our current rate schedule to show the basis for the rate. This is a sale price rate, accordingly we do not expect to receive G & A on the amount expended in computer time.

25X1A

We estimate we will require 50 additional hours of 360/40 time to complete the tasks assigned under the contract. Request approval of the utilization of this quantity of hours.

25X1A

GROUP - 1
Excluded from automatic
downgrading and
declassification

Approved For Release 2003/05/15 : CIA-RDP78B04747A001100030011-5

CONFIDENTIAL

69-DC-1029-1

CONFIDENTIAL

Approved For Release 2003/05/15 : CIA-RDP78B04747A001100030011-5

25X1A



2

April 9, 1969

I trust this meets all of your requirements. If you have any questions, please contact me.



25X1A

REW/dt

Incl. a/s

GROUP - 1
Excluded from automatic
downgrading and
declassification,

Approved For Release 2003/05/15 : CIA-RDP78B04747A001100030011-5

CONFIDENTIAL

69-DC-1029-2

RATE SCHEDULE

effective 3/9/69

25X1A

A. CONSOLE CHARGES

- Note:
- I. Does not include terminal devices.
 - II. Does not include telephone, etc. line charge.

25X1A

Minimum Usage

35 million character or less data base (1 bin)
35 million to 70 million (2 bins)

- Note:
- Larger data base minimums are calculated by multiplying the above "1 bin" minimum rate categories by the total number of bins required to contain the file.

25X1A

B. DATA BASE BUILDING

- Note:
- I. Assume IBM 2400 magnetic tape input.
 - II. Cards require special quotation.

25X1A

Data Base Preparation

- Note:
- I. Assumes legible data.
 - II. Key entry and sight verification.

RATE SCHEDULE (CONT'D.)

Page 2 of 4
effective 3/9/69

C. MACHINE TIME

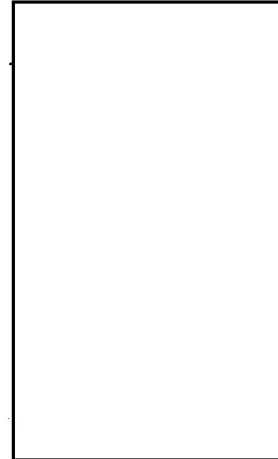
Time of Use

1st Shift: 8:00 AM - 5:00 PM
Background Processing Rate
on Partial Configurations

2nd Shift: 5:00 PM - Midnight
2 hours or more block usage

3rd Shift: Midnight - 8:00 AM
Note: Available only if 2nd shift is filled

Background Partition Printing



25X1A

Note:

I. All Prices Include:

- a) The use of current version of DOS.
- b) Operator
- c) Minimal computer supplies
- d) The use of magnetic storage for two (2) weeks or less.

II. Complete setup and tear down times are charged to the customer.

III. All background printing is scheduled at convenience.

25X1

25X1A



25X1A

Approved For Release 2003/05/15 : CIA-RDP78B04747A001100030011-5

Approved For Release 2003/05/15 : CIA-RDP78B04747A001100030011-5

RATE SCHEDULE (CONT'D.)

Page 4 of 4
effective 3/9/69

E. ANALYST/PROGRAMMER

Level

Senior
Junior



25X1A

F. SOFTWARE PURCHASE AND MAINTENANCE

Information Retrieval (object programs))
TTAM (object programs))
Maintenance for three (3) year period)

Prices available on special
quotation basis.

25X1A



Approved For Release 2003/05/15 : CIA-RDP78B04747A001100030011-5

CLASSIFICATION TOP AND BOTTOM			
UNCLASSIFIED	CONFIDENTIAL	SECRET	
CENTRAL INTELLIGENCE AGENCY OFFICIAL ROUTING SLIP			
TO	NAME AND ADDRESS	DATE	INITIALS
1	<div></div> 6N133		
2			
3			
4			
5			
6			
ACTION	DIRECT REPLY	PREPARE REPLY	
APPROVAL	DISPATCH	RECOMMENDATION	
COMMENT	FILE	RETURN	
CONCURRENCE	INFORMATION	SIGNATURE	
Remarks:			
<p>Thought you'd be interested in this - Incidentally <div></div> had verbally told <div></div> to use the computer term. He phoned 436 + hours — on a speed dialer dated 17 Feb 69</p>			
FOLD HERE TO RETURN TO SENDER			
FROM: NAME, ADDRESS AND PHONE NO.			DATE
<div></div>			4/1/69
CLASSIFICATION TOP AND BOTTOM			
UNCLASSIFIED	CONFIDENTIAL	SECRET	

Approved For Release 2003/05/15 : CIA-RDP78B04747A001100030011-5